



# Acquisition Reform



## \*\*\*\*\* Update \*\*\*\*\*

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### ASN(RDA) CHARTERS NEW OFFICE

The Department of the Navy Service Acquisition Executive chartered the Acquisition Reform Office (ARO) on 13 January. Chartered to operate as a program with a three-year life cycle, the Office will lead seven strategic thrusts. Each thrust defines the focus of a dominant activity addressing the overall objectives and is aligned with the product/service set. Although comprehensive in scope and considerable in depth, each thrust area is a critical pillar and the entire set comprises the minimum necessary and sufficient tasks to achieve meaningful change and to sustain that change.

The *Center of Excellence* will act as a focal point for reengineering the Navy acquisition process, serving as the forum for distilling the best commercial practices and demonstrating application. This interactive work space will stress application while building confidence in the products, processes and tools.

The *industrial base integration thrust* acts as a transfer agent, consultant and broker to bring the commercial and Defense industrial bases together.  
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### DON STANDARDS IMPROVEMENT PROGRAM PLAN

### SIGNED

On 21 December Ms. Slatkin, Assistant Secretary of the Navy for Research, Development and Acquisition, (ASN(RDA)) signed out the DON Standards Improvement Program Plan. This plan represents the second step in the DON implementation of DOD SPECS/ STDs PAT Report endorsed by Secretary of Defense Perry. Ms. Slatkins 27 July 94 memo provided initial guidance on DON Standards Improvement Program policy as an interim measure pending development and issue of this plan.

The DON Standards Improvement Program Plan provides a template for use by the Acquisition Command Standards Improvement Executives (CSIEs) in developing their unique, detailed implementation plans. The CSIE's will ensure their individual command's plans reflect the basic requirements called out in the DON plan. These CSIE implementation plans are tailored to each command's individual requirements to serve the applicable Systems Commands (SYSCOMs), Program Executive Officers (PEO's), Direct Reporting Program Managers (DRPM's) and Program Managers (PMs). The DON plan defines the process; integrating the Defense Standardization Program with the individual, unique needs of DON Acquisition Programs. This plan also addresses contracting initiatives, reduced oversight, and the need for senior leadership, commitment and training.

Resources and coordination, both within the DON and between the other Services and Defense Agencies, are needed to successfully implement the DON plan. Implementing the defined program includes relying on performance specifications and commercial specifications and avoiding government-unique requirements wherever possible. The ultimate goals include increasing access to commercial products and practices, facilitating dual-use industrial capability, and cost savings. The DON Standards Improvement Plan describes a process to establish consistent contractual requirements and to

prioritize revision of military specifications and standards. The process also integrates the Standardization Program with the specific needs of individual PEOs/DRPMs/PMs, achieves consistency across multiple programs, collects program experience data to support disposition of military specifications and standards, and facilitates the transition to industry-wide recognized standards.

The concept of the "Expert Team" is critical to helping the acquisition manager comply with the requirements for standards improvement. These teams consist of personnel with detailed knowledge of the purpose and content of relevant specifications and standards. They will assist the acquisition managers by recommending potential alternatives to military specifications; assessing contractor proposed alternatives in proposal evaluations; and collecting lessons learned/viable alternatives in an automated data base.

The CSIEs are the key to successful application of the process called out in the DON plan. They form a vital link between specific, unique acquisition program needs and the Defense Standardization Program. They:

1. Work with the DON SIE to implement the DON Standards Improvement Program;
  2. Prepare their command's plan of action and milestones, and manage its execution; and
  3. Coordinate with their counterparts to facilitate the exchange of standardization information and address areas of common interest.
- The CSIEs are:

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<b>SPAWAR 602-4820</b>	<b>Dennis Rilling</b>	<b>(703)</b>

For further information on the DON Standards Improvement Program Plan contact your CSIE or CDR Bob Petroka, Department Standardization Officer, (703) 602-2389.

## MARCORSYSCOM ESTABLISHES AR SUPPORT DIRECTORATE

The Marine Corps Systems Command (MARCORSYSCOM) has a Directorate which helps their Program Managers and Project Officers (PO's) in implementing acquisition reform initiatives on their programs and advises the Commander MARCORSYSCOM in her role as a Milestone Decision Authority (MDA). This organization, the Program Analysis and Evaluation Directorate (PAE), has analysts assigned to support each commodity area. These analysts serve as a resource for their assigned PM's and PO's and consult with them on improved acquisition strategies, streamlined program documentation and scheduled milestone decisions. On behalf of their assigned PM's and PO's, the PAE interfaces with the Commander as MDA and the Assistant Secretary of the Navy's (Research, Development and Acquisition) staff in matters of program tailoring, acquisition policy interpretation and requesting acquisition category (ACAT) designations.

The PAE links the requirements process, the acquisition process and the budget process in support of the MARCORSYSCOM MDA. This is done through involvement with Cost and Operational Analysis (COEA) issues, preparation of the Integrated Program Assessment (IPA), review of obligation plans and representation on the Program Objective Memorandum (POM) working group. Through this involvement and co-chairing the Standing COEA Oversight Board and chairing the Milestone Planning Meeting six months before a Milestone Decision, the PAE is actively implementing the Acquisition Coordinating Team (ACT) concept initiated last August.

MARCORSYSCOM, by establishing a single focal point to assist PM's and PO's, supports the Commander as MDA, deals with external acquisition agencies, and manages all program acquisition documentation through PAE. This is consistent with the ACT concept and is improving the acquisition process. For further information contact Mr. Jim O'Neill, at MARCORSYSCOM on (703) 640-2427, Internet ID JAMES=G=ONEILL  
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## AR & THE CEC PROGRAM

The Cooperative Engagement Capability (CEC) program allows the Battle Group surface ships and airborne elements to exchange integrated, fire control quality information in real time as both an electronic warfare countermeasure and an enhanced operating capability.

The CEC program is actively implementing various aspects of the acquisition reform initiatives established by DOD policy. They have used a team approach supported by the program office, PEO(TAD)C, the prime contractor, E-Systems, the Technical Direction Agent, John Hopkins University/Applied Physics Laboratory and the Crane, Dahlgren and Port Hueneme Divisions of the Naval Surface Warfare Center. The CEC program's team has divided their acquisition reform efforts into three major thrusts: (1) Acquisition Streamlining; (2) Transition to a "Commercial Baseline"; and (3) Commercial Off-the-Shelf and Non Developmental Items (COTS/NDI). These are all areas strongly supported by the Secretary of Defense, Dr. Perry.

- CEC acquisition streamlining efforts concentrated on processes to speed up the overall acquisition effort. These included such things as: government-contractor teaming; eliminating paper Contract Data Requirements (CDRs) through on-line access to contractor data; eliminating lengthy paper publishing cycles through direct digital data transfer; and aggressively tailoring the DOD 5000.2 requirements to reduce the paper CDRs from 6440 to less than 300, a 95% reduction with a further reduction of program unique CDRs from 190 to 59.

- To accomplish the transition to a "Commercial Baseline", the CEC program rewrote their system specification to a performance specification, eliminating specific design requirements. This allowed the reduction of MIL-SPECs in the system specification from 45 to 11. By incorporating commercial specifications and standards in the follow-on Statement of Work (SOW) and reducing "programmatic" MIL-SPEC requirements in the areas of quality assurance, reliability, logistics and manufacturing, the SOW MIL-SPEC usage fell from 84 to 11.

- By basing the CEC system on open system architecture, the program was able to make maximum use of COTS electronic circuit boards. The upgrade

path established for the CEC also allows the exploitation of next generation processing technology as it becomes available. The enclosure, microwave components and battery back-up technology are all NDI from existing military programs.

The CEC program team acquisition reform effort has resulted in an integrated approach to improve the acquisition process, transition to a "Commercial Baseline" and fully exploit available COTS/NDI both now and in the future.

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It will also identify specific, current acquisition areas and needs that can facilitate technology transfer and/or dual use and broker the exchange of information.

The *acquisition policy thrust* will develop dynamic process models of present acquisition processes as a function of time, work effort and communication complexity. It will also identify non-value-added activities, and manage the configuration of the acquisition policy model.

The *world class "learning" practices thrust* will collect, modify and explain world class business and manufacturing practices and policies to apply them to acquisition efforts. It will identify and explore the root sources of their successes and failures within the context of their application.

The *partnering and customer thrust* will research, arrange and direct benchmarking opportunities, assess the strengths and weaknesses of selected organizations and analyze potential benefits accruing to the Department of the Navy. It will also produce recommendations based on observation and analysis, and facilitate the implementation of lessons learned.

The *communications thrust* will establish a holistic communications process, focusing on short dissemination cycle times and faster customer response. A library and world-wide web interconnectivity will be employed to work closely with our customers and respond with rapid expert

advice.

The *training and education thrust* will assist in transforming world class practices into acquisition, developing new skills necessary to implement these practices and facilitating the elimination of non-value added functions.

Change is difficult. These seven thrusts are geared at transforming the acquisition process. ASN(RDA) is committed to this bold approach to the complex problem of Acquisition Reform.

## DoD REVIEWS COST STUDIES

Coopers & Lybrand briefed the NARSOC on 12 January on the results of a recent study under the direction of Dr. Paul G. Kaminski, Chairman of the Defense Science Board. The study objectives were to (1) develop a systematic, empirical approach to assessing the industry cost impact of the DOD regulatory environment, (2) measure the total DOD cost premium associated with the DOD regulatory environment, and (3) identify specific DOD regulatory cost drivers.

An ARSSG "DOD Regulatory Cost Premium" Working Group will address the cost drivers identified in the Coopers & Lybrand Study. The Working Group is chaired by William E. Mounts, Director, International and Commercial Systems Acquisition, ODUSD(AR). The Navy representative is CAPT (Select) Jeffrey D. Greene who is

supporting the ARO.

## APIA BECOMES ABM

Effective 1 January, the title of Deputy for Acquisition Policy, Integrity and Accountability (APIA) under the Office of the Assistant Secretary of the Navy (Research, Development and Acquisition) was changed to Deputy for Acquisition and Business Management (ABM).

Most functions, responsibilities, addresses and phone numbers remain the same. The office retains responsibility as the Competition Advocate General of the Navy.

*The ARO will relocate next month. The new POC for the AR Update will be Alex Dean (current phone 602-2849, FAX 602-2117).*